

FIFTY-FIRST REPORT

**STANDING COMMITTEE ON
FINANCE (2003)**

(THIRTEENTH LOK SABHA)

MINISTRY OF DISINVESTMENT

**DEMANDS FOR GRANTS
(2003-2004)**

*[Action taken by the Government on the recommendations contained in
the Forty-Second Report of the Standing Committee on
Finance on Demands for Grants (2003-2004) of
the Ministry of Disinvestment]*

*Presented to Lok Sabha on 9 December, 2003
Laid in Rajya Sabha on 9 December, 2003*



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2003/Agrahayana, 1925 (Saka)

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COMPOSITION OF STANDING COMMITTEE
ON FINANCE
(2003)

Shri N. Janardhana Reddy—*Chairman*

MEMBERS

Lok Sabha

2. Shri Omar Abdullah
3. Shri Raashid Alvi
4. Shri Sudip Bandyopadhyay
5. Shri Surender Singh Barwala
6. Shri Ramesh Chennithala
7. Smt. Renuka Chowdhury
8. Dr. Daggubati Ramanaidu
9. Shri Kamal Nath
10. Shri Trilochan Kanungo
11. Shri Rattan Lal Kataria
12. Dr. C. Krishnan
13. Shri M.V.V.S. Murthi
14. Shri Sudarsana E.M. Natchiappan
15. Capt. Jai Narain Prasad Nishad
16. Shri Rupchand Pal
17. Shri Prabodh Panda
18. Shri Prakash Paranjpe
19. Shri Raj Narain Passi
20. Shri Sharad Pawar
21. Shri Pravin Rashtrapal
22. Shri Ramsinh Rathwa
23. Shri Chada Suresh Reddy
24. Shri S. Jaipal Reddy
25. Shri Jyotiraditya Madhavrao Scindia

(iv)

26. Shri T.M. Selvaganapathi
27. Shri Lakshman Seth
28. Shri Kirit Somaiya
29. Shri Kharabela Swain
- **30. Shri P.D. Elangovan

Rajya Sabha

31. Dr. Manmohan Singh
32. Dr. T. Subbarami Reddy
33. Shri Murli Deora
34. Shri Prithviraj D. Chavan
35. Shri S.S. Ahluwalia
- *36. Shri Swaraj Kaushal
37. Shri M. Rajasekara Murthy
38. Dr. Biplab Dasgupta
39. Shri P. Prabhakar Reddy
40. Shri Amar Singh
41. Shri Prem Chand Gupta
42. Shri Palden Tsering Gyamtso
43. Shri Raj Kumar Dhoot
44. Shri Praful Patel
45. Shri Dinesh Trivedi

SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
| 1. Shri P.D.T. Achary | — | <i>Additional Secretary</i> |
| 2. Dr. (Smt.) P.K. Sandhu | — | <i>Joint Secretary</i> |
| 3. Shri R.K. Jain | — | <i>Deputy Secretary</i> |
| 4. Shri S.B. Arora | — | <i>Under Secretary</i> |

* Nominated to this Committee *vice* Sh. Mukhtar Abbas Naqvi *w.e.f.* 26.3.2003.

** Nominated to this Committee *w.e.f.* 07.04.2003.

INTRODUCTION

I, the Chairman of the Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf present this Fifty-First Report on action taken by Government on the recommendations contained in the Forty Second Report of the Committee (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) of the Ministry of Disinvestment.

2. The Report was presented to Lok Sabha/laid in Rajya Sabha on 21 April, 2003. The Government furnished the written replies indicating action taken on all the recommendations on 22 July, 2003. The draft action taken report was considered and adopted by the Committee at their sitting held on 13 November, 2003

3. An analysis of action taken by Government on the recommendations contained in the Forty-Second Report (Thirteenth Lok Sabha) of the Committee is given in the Appendix.

4. For facility of reference observations/recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
December 03, 2003
Agrahayana 12, 1925 (Saka)

N. JANARDHANA REDDY,
Chairman,
Standing Committee on Finance.

CHAPTER I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations contained in their Forty-Second Report (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) of the Ministry of Disinvestment which was presented to Lok Sabha and laid in the Rajya Sabha on 21 April, 2003.

2. Action Taken Notes have been received from the Government in respect of all the 5 recommendations contained in the Report. These have been categorised as follows:—

- (i) Recommendations/Observations which have been accepted by the Government:

Sl Nos. 4 and 5

(Chapter II- Total 2)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:

Sl Nos. Nil

(Chapter III-Total Nil)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:

Sl No. 1

(Chapter IV-Total 1)

- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited:

Sl Nos. 2 & 3

(Chapter V- Total 2)

3. The Committee desire that replies in respect of the recommendations contained in Chapter I and final replies in respect of the recommendations contained in Chapter V of the report for which interim replies have been given by the Govt. should be furnished to the Committee expeditiously

4. The Committee will now deal with the action taken by the Government on one of their recommendations.

Policy Document on Disinvestment

Recommendation (Sl. No. 1, Para No. 8 and 9)

5. The Committee were not satisfied with the reply given by the Government where claims had been made that the policy on disinvestment had evolved overtime; its fundamental framework was stable over the medium term, and it was comprehensive and consistent. The Committee were constrained to note that the reply given by the Government was not in tandem with the reply submitted earlier by them in September, 2002 wherein they had made a request to the Committee to allow some more time to prepare and bring out the policy document mentioned above. The Committee were rather perturbed by the Government's casual approach towards the Committee's repeated recommendations to bring out a comprehensive document on Disinvestment Policy which could be laid before the Parliament for its approval. The document "Disinvestment Policy, Procedures and Progress" circulated in February, 2003 was just the second edition of similar book published earlier in April, 2001. It was, as admitted earlier by them, just a compilation of the speeches of Finance Minister, as well as other policies announced by the Government from time to time. Moreover, had this been the policy document the Ministry would have not asked for extension of time to prepare and bring out a comprehensive policy

document. Therefore, the Committee were not inclined to accept this as Policy Document as it had never been laid in Parliament for its approval. At the same time, they were unable to understand the difficulty that was being faced by the Government in formulating the comprehensive policy document.

6. The Committee, therefore, once again desired that the Government should take note of their recommendation seriously and come forward with a comprehensive policy document on disinvestment policy and place it before the Parliament for its approval.

7. In their action taken reply, the Ministry of Disinvestment have stated as below:

“Disinvestment : Policy, Procedure and Progress” Second Edition February, 2003, brought out by the Ministry of Disinvestment, is a comprehensive policy document which updates information on Disinvestment Policy and Procedure, records the experience and explains the rationale for the policy and procedure being followed. A copy of the publication is being circulated to all Members of Parliament. The subject of disinvestment in PSUs, including the method of valuation of PSUs, have already been discussed in great detail in both Houses of Parliament on many occasions in response to notices for calling attention or during short duration discussions etc. The two Houses of Parliament have discussed the disinvestment policy on several occasions since 1999. Disinvestment Policy and Procedure have also been subjected to judicial review and have been upheld. Under the circumstances, it is felt that the policy on disinvestment has already been discussed in Parliament and a comprehensive policy document already exists.”

8. The Committee, reiterate their earlier recommendation and desire that policy document on disinvestment may be brought out and placed before the Parliament for its approval.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 4, Para No. 42)

The Committee do agree that quantum of fee payable to the Advisors, Asset Valuers, specialist agencies etc. cannot be precisely estimated as it depends on the actual receipts from the sale proceeds. However, they deplore large-scale variations either between BE and RE and Actuals and hold that these are not called for. They are of the opinion that such variations indicate the financial imprudence of the Department. The Committee, therefore, desire that budgetary exercise may be taken in such a manner so as to leave no room for major gaps between BE, RE and Actuals.

Reply of the Government

As the august Committee has kindly appreciated, the quantum of fees payable to the Advisors, Asset Valuers, specialist agencies cannot be precisely estimated, as the payment is dependent on the completion by the Advisors etc., of the task assigned to them. In the absence of any relevant past experience to rely upon, this Ministry had projected the requirements under this head on the basis of conservative estimates related to the book value of the shares likely to be disinvested in a particular financial year. While the estimate is made mainly on the basis of the stage at which various disinvestment transactions in hand are normally in the month of September of the preceding financial year, the actual expenditure depends on the completion of the disinvestment processes since the Advisors, the Legal Advisors, other intermediary advisors are paid their professional fees only after the particular disinvestment transaction is completed. The process of disinvestment through strategic sale is elaborate and completion of the process usually takes a minimum of six to eight months from the date of the decision of the Government. However, these steps at times take longer than that

initially anticipated resulting in the anticipated completion of some transactions being carried over to the next financial year. There are several other factors, which are beyond the control of the Ministry of Disinvestment, such as Court orders situation prevailing in a particular area where the company in question is located, that may also lead to deferment of the process of completion of disinvestment in a company.

The Ministry, at the time of preparation of the Revised Estimates, reviews the position and re-assesses the requirement on the basis of the prevalent position and the position that is anticipated during the rest of the financial year. The figures of Budget Estimates, Revised Estimates and the Actual Expenditure for the years 2000-2001 to 2002-2003 as noted by the Committee in its report indicate that the gap between the estimates and actual expenditure under this head, despite the acknowledged uncertainties, has been narrowing. This Ministry, as directed by the Committee, would continue to make every efforts to assess and project the requirement as accurately as possible so that there is no major gaps between the estimates and the actuals.

[Ministry of Disinvestment O.M.No.35(1)/7/
2003-Parl. Dated 22nd July, 2003.]

Recommendation (Sl. No. 5, Para No. 47)

The Committee note with concern that the actual expenditure in 2001-2002 was even less than 50% of the BE, while it was more pronounced in 2002-2003 when it was reduced by 415% of the amount allocated at BE. The Committee are of the view that the Government have adopted a casual approach with regard to projection of estimates under this head. They further feel that this has made the mockery of the budgetary exercise. The Committee, therefore, want the Government to undertake budgetary exercise with due care and seriousness and provide realistic estimates as far as possible.

Reply of the Government

As already submitted by this Ministry before the august Committee, the requirements for 2001-02 and 2002-03 had been projected on the assumption that this Ministry would be able to prepare and publish a

number of booklets on the cases of disinvested PSUs and on process and procedure of disinvestment. This Ministry could besides, the Annual Administrative Report, bring out the booklet on "Disinvestment Policy and Procedures" in April, 2001, four booklets on the completed disinvestment cases of ABL, Lagan Jute Machinery Manufacturing Company BALCO, Modern Food Industries (India) Limited and the publication on Understanding Strategic Sale Agreements. In 2002-03, the Ministry could, in addition to the Annual Report, come out with three publications namely 'Disinvestment in States', 'Guidelines on Qualification for Bidders' and the guidelines for valuation with the title "Strategic Sale of Central Public Sector Undertakings— Valuation". The second edition of the publication on 'Disinvestment Policy and Procedure' was ready in February, 2003 for printing. The actual printing of this last named publication however spilled over the 2003-04. The number of publications planned and the expenditure fell short of the estimate and, therefore, there was a gap between the actual expenditure and the budget estimates. Here, it may be relevant to mention that these were initial years of the setting up of the Ministry and there was no previous experience of actually estimating expenditure requirements.

This Ministry, as directed by the Hon'ble will make every sincere effort to assess and project requirements under this head as accurately as possible to ensure that the estimates and actuals do not widely vary.

[Ministry of Disinvestment O.M.No.35(1)/7/
2003-Parl. Dated 22nd July, 2003.]

CHAPTER III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN
VIEW OF THE GOVERNMENT'S REPLIES**

—NIL—

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 1, Para Nos. 8 and 9)

The Committee are not satisfied with the reply given by the Government where claims have been made that the policy on disinvestment has evolved overtime; its fundamental frame is stable over the medium term, and it is comprehensive and consistent. The Committee are constrained to note that the reply given by the Government is not in tandem with the reply submitted earlier by them in September, 2002 wherein they have made a request to the Committee to allow some more time to prepare and bring out the policy document mentioned above. The Committee are rather perturbed by the Government casual approach towards the Committee's repeated recommendations to bring out a comprehensive document on Disinvestment Policy which could be laid before the Parliament for its approval. The document "Disinvestment Policy, Procedures and Progress" circulated in February, 2003 is just the second edition of similar book published earlier in April, 2001. It is, as admitted earlier by them, just a compilation of the speeches of Finance Minister, as well as other policies announced by the Government from time to time. Moreover, had this been the policy document, the Ministry would have not asked for extension of time to prepare and bring out a comprehensive policy document. Therefore, the Committee are not inclined to accept this as Policy Document as it has never been laid in Parliament for its approval. At the same time, they are unable to understand the difficulty that is being faced by the Government in formulating the comprehensive policy document.

The Committee, therefore, once again desire that the Government should take note of their recommendation seriously and come forward with a comprehensive policy document on disinvestment policy and place it before the Parliament for its approval.

Reply of the Government

"Disinvestment: Policy, Procedure and Progress" Second Edition February, 2003, brought out by the Ministry of Disinvestment, is a comprehensive policy document which updates information on Disinvestment Policy and Procedure, records the experience and explains the rationale for the policy and procedure being followed. A copy of the publication is being circulated to all Members of Parliament. The subject of disinvestment in PSUs, including the method of valuation of PSUs, have already been discussed in great detail in both Houses of Parliament on many occasions in response to notices for calling attention or during short duration discussions etc. The two Houses of Parliament have discussed the disinvestment policy on several occasions since 1999. Disinvestment Policy and Procedure have also been subjected to judicial review and have been upheld. Under the circumstances, it is felt that the policy on disinvestment has already been discussed in Parliament and a comprehensive policy document already exists.

**[Ministry of Disinvestment O.M.No.35(1)/7/
2003 – Parl. Dated 22nd July, 2003.]**

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Sl. No. 2, Para Nos. 26, 27 and 28)

The Committee find that creation of Disinvestment Fund was first recommended by the Disinvestment Commission way back in 1997. The Government, however, did not seem to be in favour of creating such a fund as it maintained that proceeds from disinvested PSUs were being deposited in the Consolidated Fund of India. It was only recently that the Government has given serious thought of creating the Fund. It took about six years for the Government to set up such a fund. The Government has failed to explain the reasons for not creating the fund all these years. The Committee express their displeasure over the sorry state of affairs in this regard.

The Committee are also pained to note that though the Finance Minister in his Budget Speech 2000-2001 had announced that the entire disinvestment proceeds would be utilised for meeting expenditure in social sector, restructuring of PSUs and retiring public debt, the Government on the other hand in their reply to the Committee, during Demands for Grants (2002-2003) had stated that since disinvestment proceeds were deposited in Consolidated Fund of India (CFI), there was no way to estimate how they had been spent. This in the opinion of the Committee, has frustrated the very purpose of Disinvestment. They believe that had the fund been created earlier the proceeds realised from the disinvestment activity since 1997 could have been deposited therein and as a result inflow and outflow could have been watched more effectively.

The Committee, therefore, urge upon the Government to set up the disinvestment Fund without any further delay and spend the amount on the purposes which were originally envisaged under the Policy.

Reply of the Government

The proceeds from disinvestment are deposited in the Consolidated Fund of India. Government utilizes the receipts for restructuring of PSUs, expenditure on social sector and for retiring public debt. The table given below indicates the financial assistance provided by the Government to the Central Public Sector Undertakings through budgetary support and compares it with the receipts from disinvestment.

Years	Plan (Rs. in crore)	Non-Plan (Rs. in crore)	Total (Rs. in crore)	No. of CPSUs receiving financial assistance	Receipts from dis- investment (Rs. crore)
1999-2000	4528.66	1816.56	6345.22	142	1829
2000-2001	4472.09	1625.47	6097.56	139	1868
2001-2002	4909.70	1684.93	6594.63	123	5632*

*Inclusive of dividend, special dividend, dividend tax, transfer from surplus cash reserves and lease rent etc.

It is clear from the table above that the budgetary allocation for the Central Public Sector Undertakings (CPSUs) exceed the receipt from disinvestment. If the allocation for the social sectors and for retirement of public debt is added to the extended support to CPSUs, it would be far in excess of the receipts from disinvestment. Hence, even without the formal mechanism of a Disinvestment Proceed Fund, the Government has been allocating sufficient resources for restructuring of PSUs, expenditure on social sector and for retiring public debt. However, to give complete visibility to the utilisation of disinvestment proceeds, as announced by the Government, Ministry of Disinvestment have already initiated a formal proposal for the creation of a Disinvestment Proceeds Fund and forwarded it to the Ministry of Finance for further necessary action.

[Ministry of Disinvestment O.M.No.35(1)/7/
2003 – Parl. Dated 22nd July, 2003.]

Recommendation (Sl. No. 3, Para Nos. 36 and 37)

The Committee are constrained to note that inspite of tall claims made by the Government to have provided full protection to employees of disinvested PSUs through provisions in the Transaction Agreements and existing Labour Laws, there has always been a clamour by the employees of disinvested PSUs. A sense of fear and insecurity always prevails among the employees when a PSU is considered for disinvestment. The Committee are not convinced with the explanation given by the Government on behalf of new management of BALCO wherein inability of the new management to pay in one lump-sum the amount due to the employees of BALCO who have opted for VRS has been expressed. Keeping in mind the plight of employees of BALCO, the Committee come to an inescapable conclusion that the provisions and steps taken by the Government in regard to protection of employees welfare/interest are inadequate and far from satisfaction. The Committee, therefore strongly urge the Government to improve the existing provisions to ensure that the interest and welfare of the employees of disinvested PSUs are safeguarded fully.

The Committee are informed that in the event of contravention of transaction agreements, provisions for extensive and specific penalties are provided for ensuring interest of the employees. Since the new management of BALCO has failed to adhere to the provisions in the interest of the employees, the Committee would like to know the actual penalty imposed by the Government on the new management of BALCO for their failure to adhere to the agreements for protection of employees interest. They also want that stern action may be taken against the new managements who make such defaults in future.

Reply of the Government

As per the clause 7.2 (g) of the Shareholders Agreement entered into between the Government and the Strategic Partner (M/s. Sterlite Industries India Ltd.) VRS Scheme cannot be less favourable than the VRS offered by the Government prior to disinvestment. Payment of VRS in instalments is not a usual practice.

The company has informed that it was forced to offer VRS in instalments since it did not have the financial capacity to implement VRS

on the scale agreed with the employees due to heavy losses caused by the shut down of the plant, consequent to the 67 days strike post disinvestment. As stated by the company, at the time of disinvestment in March, 2001, 706 employees who had opted for VRS in the year 2000 had still not been relieved. However, arising out of the demand made by the employees' union at the time of resumption of work in May, 2001, the VRS was reopened and fresh applications from 987 employees were received, thereby giving a target of 1693 VRS applications to be processed. Immediately after disinvestment only 23 employees were relieved on VRS during the period from March to August, 2001 on full payment basis. However, considering the persistent demands being made by the employees of Bidhan Bag Unit and Regional Offices, the company decided to implement VRS in the Bidhan Bag Unit since it had already ceased operations. The company has stated that it told the employees of the Bidhan Bag Unit that it would be able to pay the VRS amount only in Five Six monthly instalment through post dated cheques. This offer was supposedly accepted by the employees of the Bidhan Bag Unit. Subsequently, this approach seems to have been extended to other employees also and 1218 employees were relieved under the Instalment Payment Plan during the period of April, 2002 to May, 2003.

The Board of Directors of BALCO, also considered and approved the payment of interest on the delayed payment of VRS amount under the Instalment Payment Plan. The interest payable has been fixed at the current applicable State Bank of India fixed deposit rate plus 1% (currently at the rate of 7% per annum). The company has informed that the cheques for release of interest on the delayed instalments as decided by the Board of Directors are being issued. Details of the scheme were communicated to the Ministry of Mines on 17th December 2002.

The Government has four (4) Government Nominee Directors in the Board of BALCO who oversee that provisions of the Agreement, including those relating to the protection of the employees interest are being adhered to by the new management. The Government received numerous VIP references and representations from BALCO employees on the deviations in BALCO's policy on VRS.

The Ministry of Mines advised BALCO that VRS dues should be paid in the pattern available to employees of Central Government and its PSUs. Though the employees, who had already availed the old VRS

offered by BALCO management, would have the freedom of availing the new pattern of VRS as offered by BALCO. BALCO had informed that they were going ahead as per payment details mentioned in their letter dated 17.12.2002 in respect of those employees who have opted VRS. Further, in respect of some employees who did not earlier opt for VRS but now want to separate, they would provide the same terms. A report from BALCO has been called for on the steps taken by it to implement the directions of the Government.

The Government is fully committed to safeguard the interest of employees and to implement all the provisions of the transaction documents which seek to protect employees' interest in a manner which protects the interest of employees without harming the sustainability of the enterprises.

[Ministry of Disinvestment O.M.No.35(1)/7/
2003 – Parl. Dated 22nd July, 2003.]

NEW DELHI;
03 December, 2003
12 Agrahayana, 1925 (Saka)

N. JANARDHANA REDDY,
Chairman,
Standing Committee on Finance.

**MINUTES OF THE TWENTY FIFTH SITTING OF STANDING
COMMITTEE ON FINANCE**

The Committee sat on Thursday, 13 November, 2003 from 1100 to 1240 hours.

PRESENT

Shri N. Janardhana Reddy - *Chairman*

MEMBERS

Lok Sabha

2. Shri Raashid Alvi
3. Shri Sudip Bandyopadhyay
4. Shri Ramesh Chennithala
5. Smt. Renuka Chowdhury
6. Shri Trilochan Kanungo
7. Shri Rattan Lal Kataria
8. Shri Sudarsana E.M. Natchiappan
9. Capt. Jai Narain Prasad Nishad
10. Shri Prabodh Panda
11. Shri Raj Narain Passi
12. Shri Chada Suresh Reddy
13. Shri Kirit Somaiya

Rajya Sabha

14. Shri Murli Deora
15. Shri Prithviraj D. Chavan
16. Shri S.S. Ahluwalia
17. Shri Swaraj Kaushal
18. Shri M. Rajasekara Murthy
19. Shri Prem Chand Gupta
20. Shri Palden Tsering Gyamtso
21. Shri Praful Patel
22. Shri Dinesh Trivedi

SECRETARIAT

1. Shri P.D.T. Achary - *Additional Secretary*
2. Shri R.K. Jain - *Deputy Secretary*

2. The Chairman, at the outset, welcomed the Members to the sitting of the Committee and requested them to consider the draft report on the Actuaries Bill, 2002 and the following action taken reports:-

- (i) Action taken report on Demands for Grants (2003-2004) of Ministry of Finance (Departments of Economic Affairs & Expenditure);
- (ii) Action taken report on Demands for Grants (2003-2004) of Ministry of Finance (Department of Revenue);
- (iii) Action taken report on Demands for Grants (2003-2004) of Ministry of Finance (Department of Company Affairs);
- (iv) Action taken report on Demands for Grants (2003-2004) of Ministry of Disinvestment;
- (v) Action taken report on Demands for Grants (2003-2004) of Ministry of Planning; and
- (vi) Action taken report on Demands for Grants (2003-2004) of Ministry of Statistics & Programme Implementation.

3. *** *** *** ***
4. *** *** *** ***
5. *** *** *** ***

6. The Committee then took up for consideration the draft action taken report on Demands for Grants (2003-2004) of Ministry of

Disinvestment. The Committee after deliberation adopted the draft report with modifications/amendments as shown in the Annexure.

- | | | | | |
|----|-----|-----|-----|-----|
| 7. | *** | *** | *** | *** |
| 8. | *** | *** | *** | *** |
| 9. | *** | *** | *** | *** |

10. The Committee then authorised the Chairman to finalise the Reports in the light of the amendments/modifications suggested and also to make verbal and other consequential changes and present the reports to both the Houses of Parliament.

The Committee then adjourned.

MODIFICATIONS/AMENDMENTS MADE BY STANDING
COMMITTEE ON FINANCE IN THEIR DRAFT REPORT ON
THE ACTION TAKEN REPORT ON DEMANDS FOR GRANTS
(2003-04) OF THE MINISTRY OF DISINVESTMENT AT
THEIR SITTING HELD ON 13 NOVEMBER, 2003

Page 4

Delete Para 8 and renumber para 9 as para 8

Page 4, Para 9, line 1, -

Delete "therefore"

APPENDIX

[Vide Para 3 of the Introduction]

**ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE FORTY SECOND
REPORT OF THE STANDING COMMITTEE ON FINANCE
(THIRTEENTH LOK SABHA) ON DEMANDS FOR GRANTS
(2003-2004) OF THE MINISTRY OF DISINVESTMENT**

	Total	% of Total
(i) Total number of recommendations	5	
(ii) Recommendations/observations which have been accepted by the Government: (Vide Recommendations at Sl Nos. 4 & 5)	2	40.00
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies: (Nil)	Nil	00.00
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee: (Vide Recommendations at Sl No. 1)	1	20.00
(v) Recommendations/observations in respect of which final replies of the Government are still awaited: (Vide Recommendations at Sl Nos. 2 & 3)	2	40.00